



**CODE 6714-01**

**FEDERAL DEPOSIT INSURANCE CORPORATION**

**Agency Information Collection Activities: Proposed Collection Renewals; Comment Request (3064-0085 & -0120)**

**AGENCY:** Federal Deposit Insurance Corporation (FDIC).

**ACTION:** Notice and request for comment.

**SUMMARY:** The FDIC, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on the renewal of existing information collections, as required by the Paperwork Reduction Act of 1995. Currently, the FDIC is soliciting comment on renewal of the information collections described below.

**DATES:** Comments must be submitted on or before **[INSERT DATE 60 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER]**.

**ADDRESSES:** Interested parties are invited to submit written comments to the FDIC by any of the following methods:

- <http://www.FDIC.gov/regulations/laws/federal/notices.html>.

- Email: comments@fdic.gov. Include the name and number of the collection in the subject line of the message.
- Mail: Manny Cabeza (202-898-3767). Counsel, MB 3007, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.
- Hand Delivery: Comments may be hand-delivered to the guard station at the rear of the 17th Street Building (located on F Street), on business days between 7:00 a.m. and 5:00 p.m.

All comments should refer to the relevant OMB control number. A copy of the comments may also be submitted to the OMB desk officer for the FDIC: Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

**FOR FURTHER INFORMATION CONTACT:** Manny Cabeza at the FDIC address noted above.

**SUPPLEMENTARY INFORMATION:**

Proposal to renew the following currently approved collections of information:

1. Title: Record Keeping, Reporting and Disclosure Requirements in Connection with the Equal Credit Opportunity Act Regulation B.

OMB Number: 3064-0085.

Form Number: None.

Affected Public: Insured state nonmember banks and state savings associations.

Burden Estimate:

Source and Burden Type	No. of Respondents	Annual Frequency	Total Responses	Average time per Response	Estimated Annual Burden (hours)
Credit Reporting History (1002.10) <i>Reporting</i>	3,744	850	3,182,400	2 Minutes	106,080
<b>Total Reporting</b>					<b>106,080</b>
Disclosure for Optional Self-Test (1002.5) <i>Third Party Disclosure</i>	1,100	2,500	2,750,000	1 Minute	45,833
Notifications (1002.9) <i>Third Party Disclosure</i>	3,744	1,715	6,420,960	2 Minutes	214,032
Appraisal Report Upon Request (1002.12(a)(1)) <i>Third Party Disclosure</i>	3,744	190	711,360	5 Minutes	59,280
Notice of Right to Appraisal (1002.14(a)(2)) <i>Third Party Disclosure</i>	3,744	1,650	6,177,600	1 Minute	102,960
<b>Total Third Party Disclosure</b>					<b>422,105</b>
Record Retention (Applications, Actions, Pre-Screened Solicitations)(1002.12) <i>Record Keeping</i>	3,744	360	1,347,840	1 Minute	22,464
Record Retention (Self-Testing)(1002.12) <i>Record Keeping</i>	1,100	1	1,100	2 Hours	2,200
Record Retention (Self-Testing Self-Correction) (1002.15) <i>Record Keeping</i>	275	1	275	8 Hours	2,200
<b>Total Record Keeping</b>					<b>26,864</b>

**Total Estimated Annual Burden**

**555,049 Hours**

General Description of Collection: Regulation B (12 CFR part 1002) issued by the Consumer Financial Protection Bureau, prohibits creditors from discriminating against applicants on any bases specified by the Equal Credit Opportunity Act; imposes, reporting, record keeping and disclosure requirements; establishes guidelines for gathering and evaluating credit information; and requires creditors to give applicants certain written notices.

There is no change in the method or substance of the collection. The overall reduction in burden hours is a result of economic fluctuation. In particular, the number of respondents has decreased while the reporting frequency and the estimated time per response remain the same.

2. Title: Flood Insurance.

OMB Number: 3064-0120.

Form Number: None.

Affected Public: Insured state nonmember banks and state savings associations.

Burden Estimate:

There is no change in the method or substance of the collection. There is an overall reduction in burden hours which is the result of (1) economic fluctuation reflected by a decrease in the number of FDIC-supervised institutions and (2) a decrease in the number of flood insurance policies nationally. In particular, the number of respondents and the frequency of response (number of loans) have decreased while the hours per response remain the same. FDIC estimates total annual burden to be **111,540 hours**. To obtain this figure, FDIC relied on: (a) data from the Federal Emergency Management Agency (FEMA) as of May 2017; (b) FDIC Call Report data as of March 31, 2017; and (c) Federal Reserve Board mortgage data as of March 31, 2017.

Table 1: Burden Calculation							
	Item	Share of Burden	Hours	Share	Hours	Hours	Total Hours
1	Disclosure to the Borrower	50%	0.50	90%	0.45	0.225	25,097
2	Disclosure to the Servicer					0.225	25,097
3	Report to FEMA of a Change in Servicer			10%	0.05	0.05	5,577

4	Recordkeeping (Bank keeps a copy of all notifications)	50%	0.50		0.50	0.50	55,770
			1.0		1.0	1.0	<b>111,540</b>

Respondents (FDIC supervised banks with real estate loans)	3,718
Frequency (Average no. of real estate loans serviced w/flood ins)	30
Total burden	<b>111,540</b>

Sources: FDIC, FEMA, Federal Reserve Board.

FEMA reported there were 4,983,954 flood insurance policies in effect with a total insured value of \$1,238,657,149,400.<sup>1</sup>

FDIC Call Report data showed that as of March 31, 2017, there were a total of 5,790 FDIC-insured institutions with a total of \$4.25 trillion in 1-4 family; multifamily; nonfarm, nonresidential, and agricultural loans secured by real estate. As of March 31, 2017, there were 3,718 FDIC-regulated institutions with a total value of about \$1.19 trillion in these loans. Based on the foregoing, we estimate that FDIC-regulated banks hold 27.9% of these assets.

The Federal Reserve Board reported \$14.41 trillion in mortgage debt outstanding in the U.S., with \$4.63 trillion (32.4%) held by depository institutions.<sup>2</sup> Since this total debt held by banks is close to the value of these real estate loans from Call Report data, we have confidence that we can meld the data sets for estimation purposes. We therefore assume that 32.4% of the value of flood insurance policies will be held by U.S. commercial banks: \$401 billion.

In the absence of any data on the number of real estate loans with flood insurance at any bank, we resort to apportion 32.4% of the number of flood insurance policies (1,614,801) to commercial banks, and 27.9% of those to FDIC-regulated

<sup>1</sup> <https://www.fema.gov/flood-insurance-statistics-current-month> (accessed June 15, 2017).

<sup>2</sup> <https://www.federalreserve.gov/econresdata/releases/mortoutstand/mortoutstand20170331.htm> (accessed June 15, 2017).

institutions (451,177). Because the value of property varies greatly between different geographical regions and different banks, it is doubtful that this estimation of the number of policies is accurate. However, there exists no other reasonable method for deriving the number of policies at each bank given available data.

Next, we apportioned the 451,177 flood insurance policies to each FDIC-regulated institution according to its share of real estate loans to total real estate loans. The resulting apportionment results in an average of 121 policies per bank, and a median of 30 policies per bank. Because the average is skewed by the large number of policies at large banks, we believe the median is a better measure for calculating burden hours.

Our subject-matter experts (SMEs) for this rule believe that the total burden to the public for complying with this rule is 1.0 hours per policy. We find four PRA related tasks in this rule: 1) Disclosure to Borrowers, 2) Disclosure to Servicers, 3) Reporting to FEMA of Changes in Coverage, and 4) Recordkeeping for tasks 1-3 above. We assume that Recordkeeping will comprise  $\frac{1}{2}$  hour, and the remaining  $\frac{1}{2}$  is split between the other tasks. We assume that 90% of policies will involve a new origination, and 10% of policies will involve a change in status.

With 3,718 respondents holding a median of 30 policies and 1 hour of burden per policy, we calculate a total burden of 111,540 hours. This burden is apportioned to each task as shown in Table 1 above.

General Description of Collection: Each supervised lending institution is currently required to provide a notice of special flood hazards to each borrower

with a loan secured by a building or mobile home located or to be located in an area identified by the Director of the Federal Emergency Management Agency as being subject to special flood hazards. The Riegle Community Development Act requires that each institution also provide a copy of the notice to the servicer of the loan (if different from the originating lender).

Request for Comment

Comments are invited on: (a) Whether the collections of information are necessary for the proper performance of the FDIC's functions, including whether the information has practical utility; (b) the accuracy of the estimates of the burden of the information collections, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collections of information on respondents, including through the use of automated collection techniques or other forms of information technology. All comments will become a matter of public record.

Dated at Washington, DC, this 30th day of June, 2017.

Federal Deposit Insurance Corporation

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Robert E. Feldman,  
Executive Secretary

[FR Doc. 2017-14151 Filed: 7/5/2017 8:45 am; Publication Date: 7/6/2017]